# Bill

Receive	ed: <b>01/10/2007</b>				Received By: jk	reye			
Wanted	l: Today				Identical to LRE	3:			
For: Jo	n Erpenbach (	(608) 266-6670			By/Representing:				
This file	e may be shown	ı to any legislat	or: NO		Drafter: <b>jkreye</b>				
May Co	ontact:				Addl. Drafters:				
Subject: Tax, Property - other  Submit via email: YES  Requester's email: Sen.Erpenbach@legis.wisco					Extra Copies:				
Submit	via email: YES								
Reques	ter's email:	Sen.Erpen	bach@legis	s.wisconsin.g	ov				
Carbon	copy (CC:) to:	joseph.kre	eye@legis.w	isconsin.gov					
Pre To	pic:								
No spec	cific pre topic gi	iven							
Topic:									
Loans to	o persons who p	pay more prope	rty tax as a r	esult of an err	or in calculating of	equalized values			
Instruc	ctions:				<del></del>	·····			
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Draftin	ng History:								
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/2			nnatzke 01/17/200	)7	sbasford 01/17/2007	sbasford 01/17/2007			

FE Sent For:

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#### Bill

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/1	jkreye 01/17/2007	jdyer 01/17/2007	sherritz 01/10/200	7	sbasford 01/10/2007	cduerst 01/11/2007	S&L	
/2			nnatzke 01/17/200	7	sbasford 01/17/2007			

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<END>

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Submit via email: <b>YES</b>							
Requester's email:	Sen.Erpenb	oach@legis.	wisconsin.go	v			
Carbon copy (CC:) to:	joseph.krey	e@legis.wis	sconsin.gov				
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For: Jo	n Erpenbach (	(608) 266-6670			By/Representing:				
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/1			sherritz 01/10/200	7	sbasford 01/10/2007				

<END>

Bill

Received: <b>01/10/2007</b>	Received By: <b>jkreye</b>

Wanted: **Today** Identical to LRB:

For: Jon Erpenbach (608) 266-6670 By/Representing:

This file may be shown to any legislator: **NO**Drafter: **jkreye** 

May Contact: Addl. Drafters:

Subject: Tax, Property - other Extra Copies:

Submit via email: YES

Requester's email: Sen.Erpenbach@legis.wisconsin.gov

Carbon copy (CC:) to: joseph.kreye@legis.wisconsin.gov

No specific pre topic given

Topic:

Loans to persons who pay more property tax as a result of an error in calculating equalized values

**Instructions:** 

Pre Topic:

See Attached

**Drafting History:** 

<u>Vers.</u> <u>Drafted</u> <u>Reviewed</u> <u>Typed</u> <u>Proofed</u> <u>Submitted</u> <u>Jacketed</u> <u>Required</u>

/? jkreye Ah Ah/jk

FE Sent For: <END>

#### Kreye, Joseph

From:

Bacher, Luke

Sent:

Wednesday, January 10, 2007 10:26 AM

To: Subject: Kreye, Joseph LRB 1147/1

I give Sen. Erpenbach's office permission to draft a senate companion to LRB 1147/1

Luke Bacher Legislative Assistant State Representative Brett Davis

Phone: (608)-266-1192 Toll Free: 888-534-0080 Fax: 608-282-3680

Luke.Bacher@legis.wi.gov http://www.brettdavis.us

**2007 - 2008 LEGISLATURE** 

LRB-1147/1 JK fldjf

2007 BILL

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AN ACT *to create* 20.566 (2) (b) and 70.57 (4) of the statutes; **relating to:** providing loans to persons who are paying more property taxes as a result of the Department of Revenue's error in calculating equalized value and making an appropriation.

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#### Analysis by the Legislative Reference Bureau

Under current law, annually, the Department of Revenue (DOR) determines the full value of the property of each county and taxation district. This property valuation is known as "equalized value." DOR determines the equalized value of all property in the state to ensure, generally, that the property is being assessed at its full value. If DOR makes an error in determining the equalized value of the property of any county or taxation district, DOR corrects the error by adjusting the county's or taxation district's equalized value in the year after the year in which DOR made the error.

Under this bill, DOR makes payments to any taxation district that certifies to DOR that the most recent equalized value of the taxation district's property is greater than it should be because of a clerical, arithmetic, transpositional, or similar error, and that the amount of the overvaluation represents 10 percent or more of the taxation district's equalized value in the year prior to the year in which the error occurred. The taxation district uses the payments to make loans to persons who own property in the taxation district and who paid more property taxes than they should have as a result of DOR's error. The maximum loan amount would be equal to the erroneous increase in the person's taxes. The loan amount would be collected by the

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state as a special charge against the taxation district for the year following the year in which DOR's error occurred.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

# The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 Section 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert 2 the following amounts for the purposes indicated: 3 2005-06 2006-07 4 20.566 Revenue, Department of 5 (2)STATE AND LOCAL FINANCE 6 (b) Valuation error loans **GPR** Α --0--600,000 7 **Section 2.** 20.566 (2) (b) of the statutes is created to read: 8 20.566 (2) (b) Valuation error loans. The amounts in the schedule to make the 9 payments under s. 70.57 (4) (a). 10 **Section 3.** 70.57 (4) of the statutes is created to read: 11 70.57 (4) (a) From the appropriation under s. 20.566 (2) (b), the department 12 shall provide payments to any taxation district that certifies to the department, in 13 the manner prescribed by the department, that the most recent valuation of the 14 taxation district's property under this section is greater than it should be because of 15 a clerical, arithmetic, transpositional, or similar error, and that the amount of the 16 overvaluation represents 10 percent or more of the taxation district's valuation 17 under this section in the year prior to the year in which the error occurred. 18 (b) A taxation district receiving payments under par. (a) shall use the payments

to make loans to persons who own property located in the taxation district and who

are paying more property taxes than they should be as a result of the error. A person may receive a loan by applying, in the manner prescribed by the department, to the taxation district in which the person's property is located no later than July 31 of the year following the error. The state shall collect the amount of any loan issued under this paragraph as a state special charge against the taxation district for the year after the year in which the error occurred and the special charge shall not be included in the taxation district's levy. Each person receiving a loan shall be billed for the amount of the loan as a special charge under ch. 74 on the property tax bill succeeding the loan. Except for interest and penalties, as provided under s. 74.47, that apply to any delinquent special charge based on the loan amount, neither the department nor the taxation district may charge interest on any loan issued under this paragraph. The maximum loan amount that a person may receive under this paragraph shall be calculated by multiplying the assessed value of the person's property by a percentage determined by the department as follows:

- 1. For the year in which the error occurred, apportion county, school district, technical college district, and metropolitan sewerage district property taxes, and state forestation taxes under s. 70.58, to the taxation district using the taxation district's erroneous valuation.
- 2. For the year in which the error occurred, apportion county, school district, technical college district, and metropolitan sewerage district property taxes, and state forestation taxes under s. 70.58, to the taxation district using the taxation district's correct valuation.
- 3. Subtract the amount determined under subd. 2. from the amount determined under subd. 1.

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4.	Divide the amount determined under subd. 3. by the taxation district's
assesse	ed value for the year in which the error occurred and express the result as a
percent	cage.

(c) The department shall make the payments under par. (a) monthly, based on the amounts requested in loan applications to the taxation district each month, except that the department shall make no payments to a taxation district after August 31 of the year following the year in which the error occurred.

(END)

Received By: jkreye

Bill

Received: 01/10/2007

Wanted: As time permits				Identical to LRB:					
For: Jeffrey Wood (60	For: <b>Jeffrey Wood</b> (608) 266-1194  This file may be shown to any legislator: <b>NO</b>					By/Representing: tony Drafter: jkreye			
This file may be shown									
May Contact:	Addl. Drafters:								
Subject: Tax, Bus	Subject: Tax, Business - credits					Extra Copies:			
Submit via email: YES									
Requester's email:	Rep.Wood	J@legis.wi	isconsin.gov						
Carbon copy (CC:) to:	joseph.kre	ye@legis.w	visconsin.gov						
Pre Topic:	***************************************			***************************************					
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Tax credits for renewabl	e energies								
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#### Kreye, Joseph

From:

Knutson, Tryg

Sent:

Friday, January 12, 2007 12:29 PM

To:

Kreye, Joseph

Subject:

FW: LRB comments

Attachments:

07-11471.pdf

Hi Joe -

Senator Erpenbach would like to have the DOR suggestions folded into 1446 as a /2.

Thanks much.

Tryg

From: Gates-Hendrix, Sherrie L - DOR Sent: Friday, January 12, 2007 9:23 AM

To: Knutson, Tryg

Subject: FW: LRB comments

Tryg - Let me know if you need anything more. Luke tells me this will have to be an amendment.

Will you or Sen Erpenbach be attending the Ways & means hearing on Wednesday morning on this?

From:

Gates-Hendrix, Sherrie

Sent:

Thursday, January 11, 2007 4:22 PM

To:

'Bacher, Luke'; Knutson, Tryg

Subject:

LRB comments

Hi Luke, Tryg --

Here are our thoughts on the draft.

It was our understanding that the proposal would apply only in those cases where the error in equalized value was due to a Department of Revenue error. Under this proposal, the program would also apply to those situations where the error was caused by mistakes made by the municipality in the information they provide to the Department.

On page 3, lines 6 to 7, the phrase "the special charge shall not be included in the taxation district's tax levy" may create unnecessary confusion because state special charges are normally collected by the state through the property tax settlement process. If the concern is that the charge not be entered into any levy limit calculations, then it may be better to explicitly state that the charge is not to be deemed part of the municipal levy for levy limit purposes.

On page 3, line 8, the cross-reference to "ch. 74" is should be broadened. The authority to impose a special charge on a given parcel of real estate or a personal property account is in sec. 66.0627 (1). We also suggest that a cross-reference regarding the repayment of the proposed loans be added to the language in sec. 66.0627 (1).

On page 3, line 14 and on page 4, lines 1 to 3, we suggest that the calculation be clarified to better match general property tax administration. By replacing the term "percentage" with the term "decimal", some potential errors may be avoided.

On page 4, lines 4 to 7, the August 31 date could create a problem. Under s. 70.60, the Department of Administration must certify the amount of any state special charges to the county (which in turn charges them on to municipalities) by the 4th Monday in August. In order for DOR to certify any amounts due under the bill, an earlier date (such as August 15) would allow for sufficient time to get DOA the information it needs in time to meet the statutory deadline.

If you/LRB have questions you can contact me or with technical questions contact Paul Ziegler at 6-5773 or Ken Schuck at 6-0204. Let me know if you need anything else. If you could shoot me a copy of the final draft or amendment that would

be great. I plan to attend the hearing Wednesday and testify.

**Thanks** 

Sherrie

From:

Bacher, Luke [mailto:Luke.Bacher@legis.wisconsin.gov]

Sent:

Wednesday, January 10, 2007 12:41 PM

To:

Gates-Hendrix, Sherrie L - DOR

Subject:

Town of Oregon

Sherrie -

Here is a copy of the draft legislation for the Town of Oregon situation.

Can you please let me know of any concerns the Dept has with the bill ASAP.

Of specific concern, I want to be sure you are comfortable with Page 3, Line 2, "in the manner prescribed by the department"

Let me know if you need us to be more specific and if you need deadlines, or if you can handle that yourselves.

Thanks,

Luke Bacher Legislative Assistant State Representative Brett Davis Phone: (608)-266-1192

Toll Free: 888-534-0080 Fax: 608-282-3680

<u>Luke.Bacher@legis.wi.gov</u> http://www.brettdavis.us



07-11471.pdf (20 KB)

## Kreye, Joseph

From:

Sent:

Knutson, Tryg Wednesday, January 17, 2007 1:41 PM Kreye, Joseph

To:

Hey Joe -

Ways and Means in the Assembly passed out AB 20 with the Sub amendment and the simple to the sub.

If all of those changes can be incorporated into our version - that would be greatly appreciated.

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# State of Misconsin 2007 - 2008 LEGISLATURE

LRB-1446/1 JK:jld:sh

## 2007 BILL

RMmAR



Kegen

AN ACT to create 20.566 (2) (b) and 70.57 (4) of the statutes; relating to:

providing loans to persons who are paying more property taxes as a result of the

Department of Revenue's error in calculating equalized value and making an

appropriation.

#### Analysis by the Legislative Reference Bureau

Under current law, annually, the Department of Revenue (DOR) determines the full value of the property of each county and taxation district. This property valuation is known as "equalized value." DOR determines the equalized value of all property in the state to ensure, generally, that the property is being assessed at its full value. If DOR makes an error in determining the equalized value of the property of any county or taxation district, DOR corrects the error by adjusting the county's or taxation district's equalized value in the year after the year in which DOR made the error.

Under this bill, DOR makes payments to any taxation district that certifies to DOR that the most recent equalized value of the taxation district's property is greater than it should be because of a clerical, arithmetic, transpositional, or similar error, and that the amount of the overvaluation represents 10 percent or more of the taxation district's equalized value in the year prior to the year in which the error occurred. The taxation district uses the payments to make loans to persons who own property in the taxation district and who paid more property taxes than they should have as a result of DOR's error. The maximum loan amount would be equal to the erroneous increase in the person's taxes. The loan amount would be collected by the



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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

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  - (b) Valuation error loans GPR A —0— 600,000
    - **SECTION 2.** 20.566 (2) (b) of the statutes is created to read:

20.566 (2) (b) Valuation error loans. The amounts in the schedule to make the payments under s. 70.57 (4) (a).

**SECTION 3.** 70.57 (4) of the statutes is created to read:

70.57 (4) (a) From the appropriation under s. 20.566 (2) (b), the department shall provide payments to any taxation district that certifies to the department, in the manner prescribed by the department, that the most recent valuation of the taxation district's property under this section is greater than it should be because of a clerical, arithmetic, transpositional, or similar error, and that the amount of the overvaluation represents 10 percent or more of the taxation district's valuation under this section in the year prior to the year in which the error occurred.

(b) A taxation district receiving payments under par. (a) shall use the payments to make loans to persons who own property located in the taxation district and who

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- 3. Subtract the amount determined under subd. 2. from the amount determined under subd. 1.

4. Divide the amount determined under subd. 3. by the taxation district's assessed value for the year in which the error occurred and express the result as a percentage.

(c) The department shall make the payments under par. (a) monthly, based on the amounts requested in loan applications to the taxation district each month, except that the department shall make no payments to a taxation district after August 31 of the year following the year in which the error occurred.

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(END)

INSTERT 4-7

#### STATE OF WISCONSIN – LEGISLATIVE REFERENCE BUREAU

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# ASSEMBLY SUBSTITUTE AMENDMENT TO 2007 ASSEMBLY BILL 20

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To amend 66.0627 (1); and to create 20.566 (2) (b) and 70.57 (4); relating to: providing loans to persons who are paying more property taxes as a result of the Department of Revenue's error in calculating equalized value and making an appropriation.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

**Section 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert 5 6 the following amounts for the purposes indicated:

2005-06 2006-07

8 Revenue, Department of

(2)STATE AND LOCAL FINANCE

10 (b) Valuation error loans **GPR** Α -0-600,000 11

**Section 2.** 20.566 (2) (b) of the statutes is created to read:



23,

June 15



20.566 (2) (b) *Valuation error loans*. The amounts in the schedule to make the payments under s. 70.57 (4) (a).

**Section 3.** 66.0627 (1) of the statutes is amended to read:

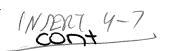
66.0627 **(1)** In this section, "service" includes snow and ice removal, weed elimination, street sprinkling, oiling and tarring, repair of sidewalks or curb and gutter, garbage and refuse disposal, recycling, storm water management, including construction of storm water management facilities, tree care, removal and disposition of dead animals under s. 60.23 (20), <u>loan repayment under s. 70.57 (4) (b)</u>, soil conservation work under s. 92.115, and snow removal under s. 86.105.

**Section 4.** 70.57 (4) of the statutes is created to read:

70.57 (4) (a) From the appropriation under s. 20.566 (2) (b), the department shall provide payments to any taxation district that certifies to the department, in the manner prescribed by the department, that the most recent valuation of the taxation district's property under this section is greater than it should be because of a clerical, arithmetic, transpositional, or similar error made by the department, as confirmed by the department, and that the amount of the overvaluation represents 10 percent or more of the taxation district's valuation under this section in the year prior to the year in which the error occurred.

(b) A taxation district receiving payments under par. (a) shall use the payments to make loans to persons who own property located in the taxation district and who are paying more property taxes than they should be as a result of the error. A person may receive a loan by applying, in the manner prescribed by the department, to the taxation district in which the person's property is located no later than they are following the error. The state shall collect the amount of any loan issued under this paragraph as a state special charge against the taxation district for the year





after the year in which the error occurred and the special charge shall not be included in the taxation district's levy. The taxation district shall assess the loan amount as a special charge against the property for which the loan was made on the property tax bill succeeding the loan, as provided under ch. 74 and s. 66.0627 (1). Except for interest and penalties, as provided under s. 74.47, that apply to any delinquent special charge based on the loan amount, neither the department nor the taxation district may charge interest on any loan issued under this paragraph. The maximum loan amount that a person may receive under this paragraph shall be calculated by multiplying the assessed value of the person's property by a decimal determined by the department as follows:

- 1. For the year in which the error occurred, apportion county, school district, technical college district, and metropolitan sewerage district property taxes, and state forestation taxes under s. 70.58, to the taxation district using the taxation district's erroneous valuation.
- 2. For the year in which the error occurred, apportion county, school district, technical college district, and metropolitan sewerage district property taxes, and state forestation taxes under s. 70.58, to the taxation district using the taxation district's correct valuation.
- 3. Subtract the amount determined under subd. 2. from the amount determined under subd. 1.
- 4. Divide the amount determined under subd. 3. by the taxation district's assessed value for the year in which the error occurred and express the result as a decimal.
- (c) The department shall make the payments under par. (a) monthly, based on the amounts requested in loan applications to the taxation district each month,



LRBs0001/1 JK:jld:rs **SECTION 4** 

1 except that the department shall make no payments to a taxation district after

2 Magust 15 of the year following the year in which the error occurred.

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(END)

June 30

(end of 4-7)

# DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-1446/2dn JK:jld:nwn

January 17, 2007

Senator Erpenbach:

This draft incorporates the changes made by ASA 1 to AB–20 and AA 1 to ASA 1 to AB–20.

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